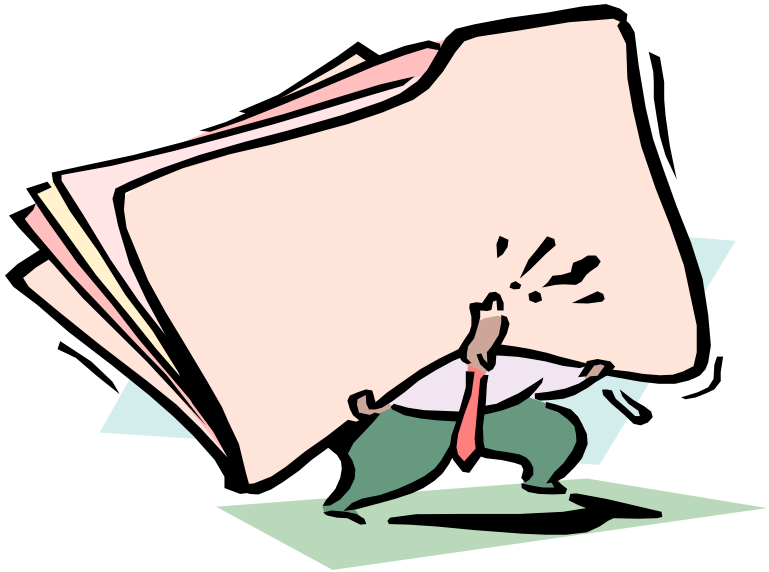
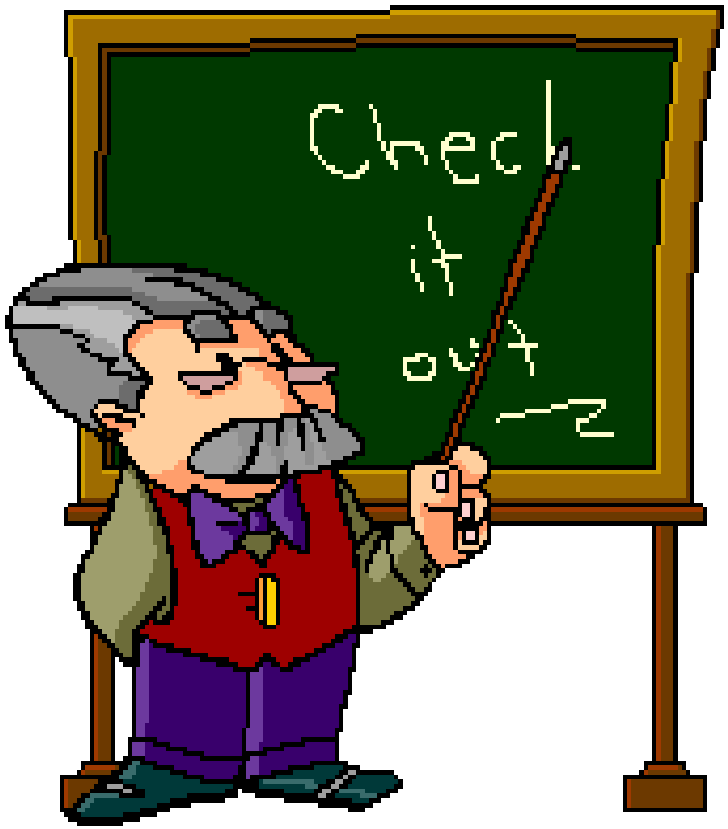
Government Purchase Card Program Initial Training

AFI 64-117
Air Force Government-Wide Purchase Card Program
6 December 2000

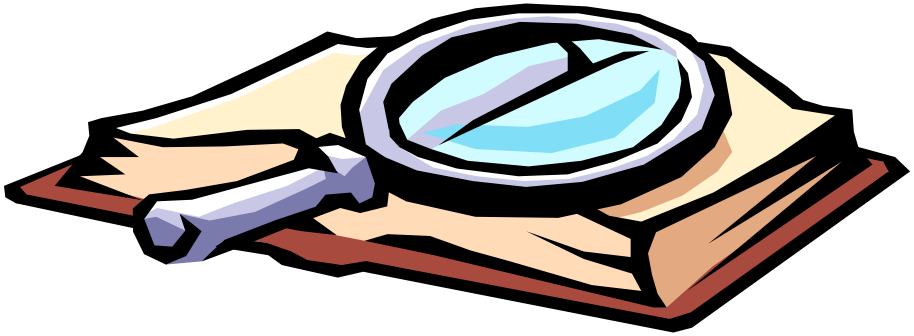


INSTRUCTOR FOR THE DAY

- **Dolores Faisca**
- ***Government Purchase Card Program Manager***
- **Phone: *494-2194***



CONTENT of TRAINING



- Purchase Card Program Overview
- Authorized and Unauthorized Use of Card
- Establishing a GPC Account
- Responsibilities and Procedures for GPC Operations

CHAPTER 1

PURCHASE CARD PROGRAM OVERVIEW

- **Commercial purchase card for military members and federal civilian employees to pay for official government purchases.**

- **Procedures supplement the cardholder guide provided by US Bank and take precedence in case of a conflict.**

- **GPC is based on a six-level reporting hierarchy:_**

Chapter 1

- **Level 4 -- Installation Purchase Card Program Manager**
- **Level 5 -- Billing Official**
- **Level 6 -- Cardholder**

- **Levels will be more important to cardholders and billing officials as monthly billing statem[illegible]me.**

CHAPTER 2
AUTHORIZED AND UNAUTHORIZED USAGE OF THE GOVERNMENT PURCHASE CARD PROGRAM

- **Used to pay for authorized US government purchases with <u>appropriated funds.</u>**

- **As a general rule, if appropriated funds were not legally available for a procurement before the advent of the purchase card, they are not legally available now.**

Chapter 2

- **Consult local Financial Services Office (FSO) and/or legal office regarding proper use of appropriated funds**
- **Used to purchase authorized supplies, equipment, and non-personal services up to micropurchase threshold - currently $2500.**
- **Non-personal services can be divided into recurring and non-recurring services**

- **Splitting a requirement into individual transactions in order to use the purchase card is not permitted.**

Chapter 2

- **Above the micropurchase threshold, GPC shall not be used except as the ordering mechanism against Blanket Purchase Agreements (BPAs) or GSA schedules which will allow a single purchase limit of $25,000**
  - **Purchases from pre-priced contracts/agreements require cardholder to review prices on at least three contracts/agreements and select the best value. Maintain documentation with purchase log.**
  - **Single Purchase Limit - JWOD -- $2,50**
  - **Single Purchase Limit - FPI -- $25,000**
  - **Single Purchase Limit - GSA -- $2,500**
  - **Federal Supply Schedule - $25,000**

Chapter 2

- **GPC may be used to purchase from AAFES and all other NAFIs. These sources are not mandatory or preferred**

- **Defense Automated Printing Services (DAPS) has a single purchase limit of $100,000**

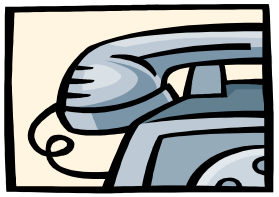
- **Pay Civilian Personnel Management Service, Office of Complaint Investigations, flat fee charge for EEO investigations**

Chapter 2

- **PURCHASES REQUIRING AUTHORIZATION -- Contact the specified controlling/servicing organization before making the purchase (log must be documented).**

  - **Hazardous and Potentially Hazardous Materials -- Need MSDS -- Contact HMMPTeam in CE**

  - **Communication and Computer Equipment and Software -- Need CSRD -- Contact Communication Squadron**



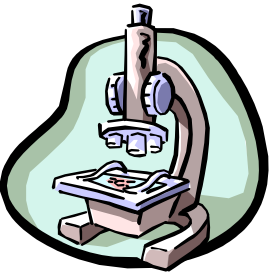
  - **Telephone Instruments, Cell Phones, and Expansion Plug-In Cards -- Contact Communication Squadron -Cannot pu e secure telephones**

Chapter 2

Purchases Requiring Authorization - Cont'd

- **Medical Items -- Contact Base Medical Logistics Officer**
- **Paid Advertisements -- Refer to appropriat authority in FAR 5.502**

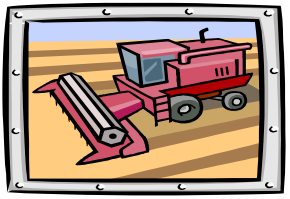
- **Visual Information, Electronic Digital Imaging and Video Equipment and Services -- Contact Base Visual Information Manager (BVIM)**



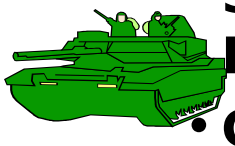
- **Test, Measuring, & Diagnostic Equipment (TDME) or Calibration Support -- Contact Precision Measurement Equipment Laboratory ({PMEL) for WRITTEN approval**

Purchases Requiring Authorization - Cont'd

- Rental/Lease of Material Handling Equipment/Fleet Motor Vehicles -- Contact Chief of Transportation
- Rental/Lease of Materials Handling Equipment or Aircraft Support Equipment -- Contact Appropriate Group/Deployed Commander



- Centrally Managed Items Related to Weapon Systems -- Contact Weapon System's Program Director (SPD)



- Construction -- Contact Base Civil Engineer; Limited to $2,000 and requires approved AF Form 332
- Civil Engineer Materials and Real Property (Installed Equipment) -- Contact Base Civil Engineer

Chapter 2

Purchases Requiring Authorization - Cont'

- **Individual Equipment/Organizational Clothing items – NIB/NISH operated sites, DLA, or direct to vendor. Ensure vendor meets AFI 36-2903**

- **Morale, Welfare, and Recreation Items -- Contact Local Services Squadron/Division. Refer to AFI 64-117, Para 2.2.13, for specific guidan**

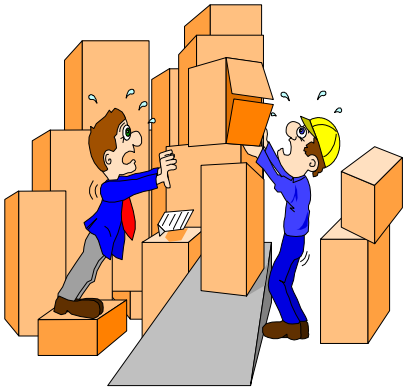
- **Bird Aircraft Strike Hazard (BASH) Program -- Approval must be in WRITING-- Refer to para 2.2.14 for written approvals.**

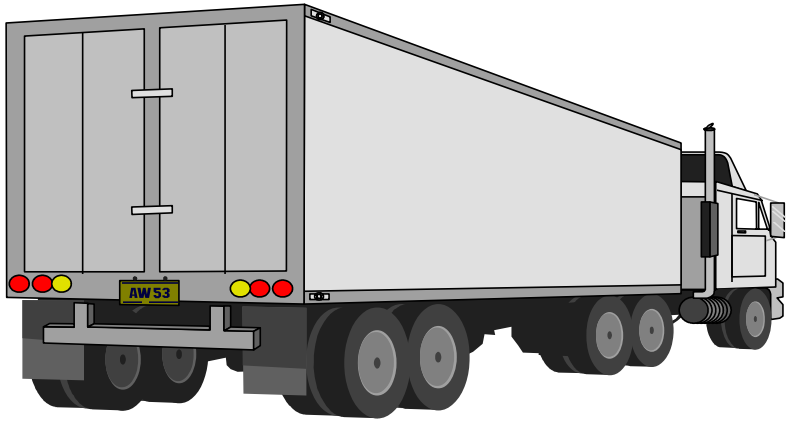
Chapter 2

- **PURCHASES REQUIRING CORDINATION/REVIEW**
  - **Non-expendable - (Budget Code 9 Equipment)**
    - **Over $2,500 -- Equipment custodian must contact Base Supply to establish accountability records**
    - **Under $2,500-- Unit commanders establish a program to provide visibility and audit trail capability**
  - **Repair Services for General Equipment -- Work with Unit Equipment Custodian and contact 45 CONS**
  - **Books, Periodicals and Manuals -- Conta Base Library**
  - **Professional Services -- Contact 45 Cor**

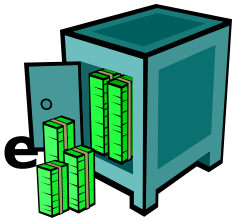
Chapter 2

- **Business Cards -- Recruiting and liaison personnel listed in AFI 65-601without required approvals. All others refer to AFI 64-117, para 2.3.5, for proper approvals.**
- **Payment for Domestic Express Next Business Day Small Package Delivery Service Contract -- Contact 45 TRANS for instructions to set up individual accounts with Federal Express**

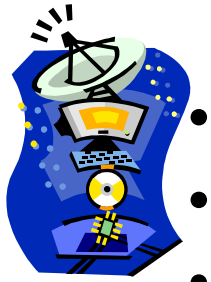




Chapter 2



- **UNAUTHORIZED USE OF THE GPC**
  - **Cash Advances and Money Orde**
  - **Travel Related Purchases**
  - **Rental or lease of land or buildings exceeding 30 days**
  - **Petroleum products for aircraft or motorized vehicles. Oil and lubricants to support base maintenance shops may be purchased.**
  - **Repair of Leased Vehicles**
  - **Purchase of Major Telecommunications Systems**
  - **Purchase of hazardous/dangerous items such as explosives, munitions, toxins, and firear**



- **Unauthorized Use of GPC - Cont'd**
  - **Janitorial, grounds and maintenance services, or other repairs covered by contracts already written for these services on base.**

  - **Printing, copying services, or copier services provided by commercial sources unless government support is unavailable**
    - **Print Plant Single Purchase Limit -- $100,000**
    - **DAPS Manager must authorize use of a commercial source and purchase log must be documented**
    - **Commercial Single Purchase Limit -- $2,500**
    - **Splitting requirements to stay under $2,500 is prohibited**

Chapter 2

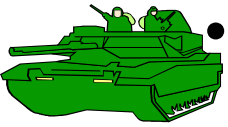
- **Unauthorized Use of GPC – Cont'd**

  - **Personal Services**
  - **Construction Services Exceeding $2,000**
  - **Gifts**
    - **Retirements, Farewells, etc**
    - **Food/beverages for organizational functions (commander's calls, picnics, parties, awards programs)**

    - **Cash Incentive Awards**

    - **Promotional Items for conferences, meetings, and symposia (coins, mugs, coasters)**
  - **Ratification Actions**

- **Unauthorized Use of GPC - Cont'd**
  - **Purchases of Controlled Cryptographic Items -- this includes secure telephones**
  - **Budget Code 8 XD/XF Items -- Managed weapon system parts**
  - **Utility Services -- Includes electricity, gas, water, phone, waste removal and cable services**
    - **Exception -- Cell Phone Service**



Chapter 2

- **Use of GPC by OCONUS Units**
  - **Must be feasible and cost effect**
  - **Single purchase limit is $25,000**
  - **Refer to AFI 64-117, 2.5, for specific guidance**

- **Use of GPC to Support Contingency/Exercise Operations**
  - **Contact 45 CONS/LGCPB to establish this type account**

- **Use of GPC by Government Contractors**
  - **Not authorized by AFI 64-117**

Chapter 2

- **Authorized Use of GPC by Geographically Separate Units**
  - **Located more than 50 miles from the base of support**
  - **See AFI 64-117, 2.7, for exact guidance**
- **Authorized Use of GPC by Tenant Organizations**
- **Tenant funds must be managed by Patrick's FSO**
- **Paying station will be Patrick FSO**
- **Use of GPC for Environmental Protection Agency (EPA)**
  - **Refer to AFI 6 2.10, and/or appropriate web sites**

Chapter 2

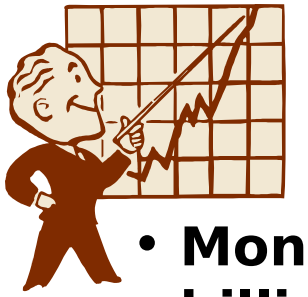
- **Use of GPC for Training, Education, and Tuition Assistance**
  - **Non-government and/or government off-the-shelf training and education up to $25,000 for an individual event or planned series of the same training event, activity, service, or course material**
  - **Need approved DD Form 1556 from the Education and Training Office PRIOR to making the purchase**
  - **Training CANNOT be specifically developed, designed, or produced to meet a requirement unique to an organization and/or program**
  - **GPC does not replace the DD 1556 or other appropriate training form as a procurement and/or authorization document**

CHAPTER 3
ESTABLISHING A GOVERNMENT PURCHASE CARD ACCOUNT

- **Letter of Appointment**
  - **Designates proposed cardholders and billing officials**
  - **Signed by commander or chief of requiring activity**
  - **Describe types of purchases to be made**
  - **Identify name, rank, duty telephone number, and duty mailing address of cardholder(s) and billing official(s)**
  - **Include specific 12B account number**

Chapter 3

- **Limits -- Established with the bank as requested by the cardholder's organization**
  - **Single Purchase Limit -- $2,500 for most purchases**
    - **Exceptions:**
      - **Government Print Plant -- $100,000**
      - **Federal Prison Industries -- $25,000**
      - **Federal Supply Schedules -- $25,000**

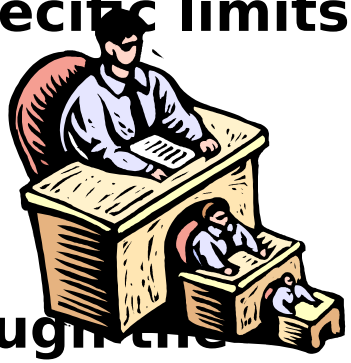


  - **Monthly Cardholder Limit --Established by the billing official and can be changed as often as necessary**
  - **Funding Document Limit -- Established on AF Form 4009 by the billing official in coordination with and certified by the FSO**

Chapter 3

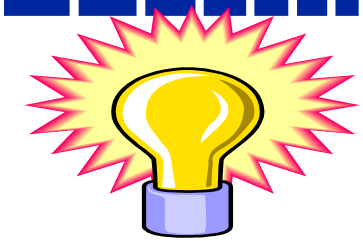
- **Merchant Activity Type -- Based on the type of purchases to be made by cardholders**

- **Account Set-Up**
  - **GPC office applies to bank for each purchase card**
  - **Contracting Squadron Commander will issue a letter of delegation authority citing specific limits**



- **Receipt of Card**
  - **Mailed directly to the cardholder**
  - **Activate card as soon as received through the Voice Response Unit**

Chapter 3



- **Convenience Check Accounts**
  - **Provide an alternative ONLY when use of GPC is not feasible**
  - **All management controls, procedures, and restrictions included in this AFI also apply to the use of checks**
  - **Use a separate purchase log for check accounts**
  - **Check accounts are separate from card accounts**
  - **Authority to maintain an account shall be justified on an individual organization basis**
  - **Only one checkbook per organization**
  - **Billing Official reviews checkbook accounts quarterly**
  - **$2,500 Single Purchase Limit -- NO EXCEPTIONS**

- **Convenience Check Accounts - Cont'd**
  - **Shall not be issued as an "exchange-for cash" to establish cash funds**
  - **Program fee is 1.7% of the face value of the check and is deducted from the funding document balance**
  - **Check writer is responsible for lost checks**
  - **Check writer captures TD Form 1099 data for services paid by check to report to Internal Revenue Service**
  - **Checks must be stored in locked containers**
  - **Accounts shall be under the custody of an individual who IS NOTresponsible for the origination, approval and/or processing of the requirement for a check**

- **Convenience Check Accounts - Cont'd**
  - **Supplies or services must be available for delivery or pick up within 15 days**
  - **Prohibited Purchases -- Salaries and Wages, Travel or Other Advances, Travel Claims, Public Utility Bills (See Para 3.6.5 for complete list of prohibitions)**
  - **Has no Dispute Process -- Check writer is solely responsible**
  - **Stop Payment Fee is $25**

CHAPTER 4
RESPONSIBILITIES AND PROCEDURES FOR GOVERNMENT PURCHASE CARD OPERATIONS

- **SAF/AQCO is the Air Force Agency Program Coordinator**
- **Installation Commander or equivalent shall have overall responsibility for the operation of the GPC program**
- **Installation Commander or Contracting Squadron Commander has authority to suspend or terminate purchase card privileges of cardholders and billing officials**
- **45 CONS Commander delegates contracting authority in writing to cardholders to use the GPC**

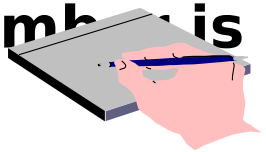
Chapter 4

- **Installation Purchase Card Program Manager**
  - **Responsible for operation of the installation's purchase card program to include --**
    - **Process purchase card applications**
    - **Issue delegation of contracting authority**
    - **Provide mandatory training and surveillance**
    - **Act as point of contact with US Bank for GPC issues**
    - **Receive certified funding documents from FSO**
    - **Initiate revocation/suspension of GPC privileges for a cardholder or billing official who violate GPC rules**
    - **Maintain current listing of all cardholders and billing officials under our jurisdiction**

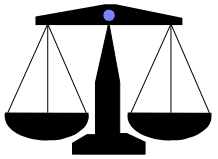
Chapter 4

- **GPC training is required for cardholders, billing and alternate billing officials prior to the establishment of a purchase card account**

- **Cardholders and billing officials sign a training statement which certifies they have received training, they understand the training, and they understand penalties associated with misuse of the card.**
  - **Copies of training statements are retained by the GPC Manager and the billing officials**
  - **Tax exempt number is on the training statement**



Chapter 4

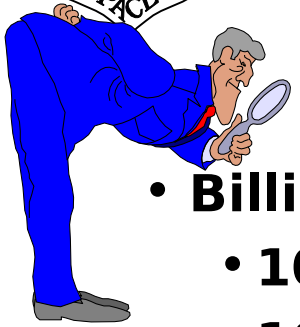


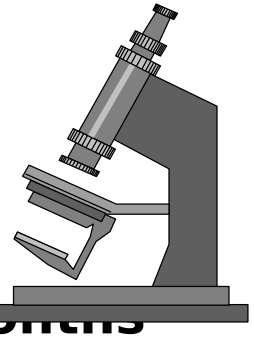
- **Required Training Areas**
  - **Internal Operating Procedures -- AFI 64-117**
  - **Required Sources of Supply and Order of Precedence as prescribed in FAR, Part 8 and DFARS, Part 208**
  - **Pre-priced Blanket Purchase Agreements (BPAs)**
  - **Competition and Price Reasonableness**
  - **Documentation**
  - **Split Requirements**
  - **Distribution of Purchases among Qualified Suppliers**
  - **Use of Warranties/Extended Service Agreements**
  - **Procurement Ethics**
  - **Contracting Support**

Chapter 4

- **Violation of AF Purchase Card Procedures**
  - **Violations may be found through review of monthly reports, surveillance, or other means**
  - **45 CONS Commander may notify the affected unit commander of the violation**
  - **GPC account may be temporarily suspended**
  - **Retraining may need to be accomplished**

- **Card Reissue -- Every 24 months to active cardholders**





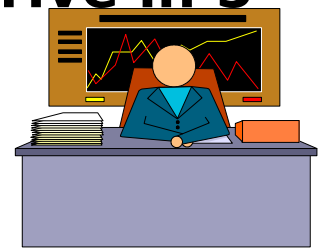
Purchase Card Surveillance

- Billing Officials shall review
  - 100% of cardholder accounts every 12 months
  - 100% of convenience check accounts quarterly
  - Surveillance Guide -- Attachment 4
- GPC Manager will survey every 12 months:
  - All billing official accounts
  - Randomly, 25% of each billing officials' cardholders
- Surveillance results are forwarded to the organization commander, billing official, and cardholder
- Surveillance results are also retained by the GPC Manager

Chapter 4

- **Base Closure -- GPC use should be terminated three months prior to a base being closed**

- **Expedited Card Applications -- Alert GPC Manager at time of setting up account -- Cards arrive in 5 days**

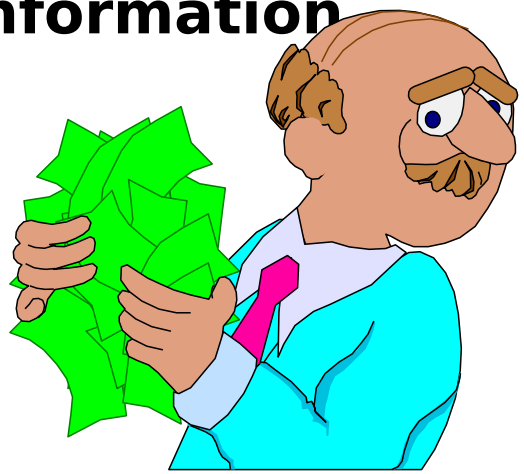


- **Billing Official**
  - **Same chain of command as the cardholder**
  - **Can't be a billing official and cardholder on the same account**
  - **Alternate billing official shall also be appointed to act in absence of the billing official**

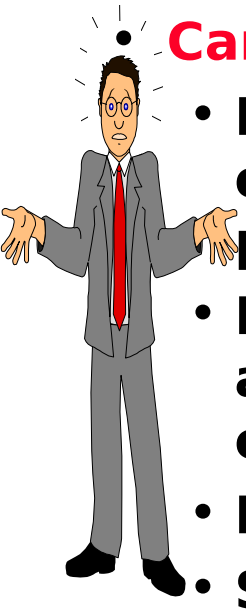
Chapter 4

- **Billing Official Responsibilities**
  - **Initiate basic fiscal year AF 4009 and changes thereto**
  - **Establish single purchase, monthly purchase, and card purchase limits**
  - **Ensure established limits are not exceeded**
  - **Direct GPC manager to cancel cards or make other changes to the account**
  - **Review cardholder's transactions and monthly statements in C.A.R.E.**
  - **Verify transactions were appropriate IAW AFI 64-117**
  - **Approve cardholder's statements. Billing Official has 60 days to complete this in C.A.R.E. on the 61 day the Managing Account is reduced to $1.00 and a letter is sent to Commander.**

- **Billing Official Responsibilities - Cont'd**
  - **Retain all records IAW AFMAN 37-139, Table 64-1, Rule 26, and FAR 4.805(b)(10)**
  - **Submit a written report (e-mail acceptable) for lost or stolen cards through the GPC manager to the MAJCOM/FOA/DRU Program Coordinator within 5 workdays. See AFI, Para 4.3.4.1.5, for required information**

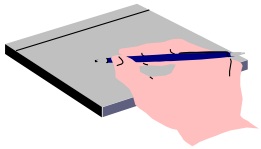


Chapter 4



Cardholder

- Purchase card bears your name and shall be used only by you for authorized US Government purchases
- May be liable to the government for the total amount of unauthorized purchases made in connection with misuse or negligence
- Must ensure purchase limits are not exceeded
- Single purchase may be comprised of multiple items
- Do not make repeat buys of the same item to avoid the $2,500 and $25,000 purchasing/ordering limits
- Use the “just-in-time” buying philosophy
- Seek advice from 45 CONS how to obtain repetitive buy items and/or services

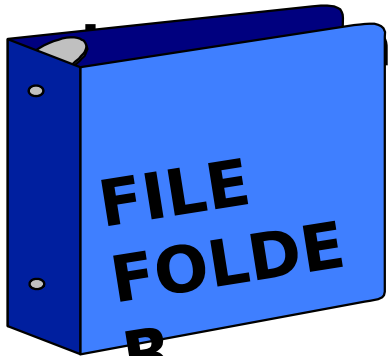


- **Cardholder - Cont'd**
  - **Maintain monthly Transaction Log in C.A.R.E on all purchases. Maintain file by month on all receipts and documentation to support, approvals, coordination's, and, questionable or unique buys. Requestor's name is mandatory.**
  - **Ensure vendor does not bill card before item or service is received by cardholder.**
  - **Notify vendor of tax exempt status**
  - **Use only firm-fixed price transactions**
  - **Ensure use of mandatory and preferred sources of supply**
  - **Rotate sources when practical**
  - **Ensure a reasonable price is paid**

Chapter 4

- **Cardholder - Cont'd**
  - **Certify quantity and quality of items or services received -- Get what you pay for!!**
  - **Obtain functional area approvals (CE, DAPS, 45 CS)**
  - **Comply with Affirmative Procurement Program**
  - **Give vendor complete shipping address as items purchased with GPC are delivered to YOU**
  - **Take advantage of manufacturer/retailer rebates**
  - **Approve and Reconcile monthly transactions in C.A.R.E.**
  - **Submit Questioned Item Form (disputes) through C.A.R.E. when necessary**

- **Cardholder - Cont'd**
  - **Make sure all transactions are recorded in the C.A.R.E Transaction Log and that you have reconciled them with the banks posted transactions. Your cycle month starts the 25th – 26th. You also have 14 days of the following month to reconcile. On the 15th day you are locked out and the Billing Official has to complete transaction log if necessary.**
  - **Surrender card to billing official 30 days prior [illegible]tin[illegible]unt can be cleared**



FUNDS TRACKING DOCUMENT

RECEIPT

- **Security -- A CARDHOLDER SHALL NOT ALLOW ANYONE TO USE HIS OR HER GOVERNMENT PURCHASE CARD OR ACCOUNT NUMBER.**

- **Lost/Stolen Cards -- GPC is considered to be Government property. Notify bank, billing official, and Security Forces immediately. Bank can be notified**

Chapter 4

- **Purchase Card Rebates**
  - **Provided by US Bank as credits to billing accounts**
  - **Amount is based on sales and prompt payment**
  - **Issued each quarter**

- **Cost Distribution -- Routine purchases should be charged to a single line of accounting**

- **Bank's Functions/ Responsibilities under GSA Contract**
  - **Emergency Account Set-Up**
  - **Routine Card Distribution**
  - **Replacement of Lost or Stolen Cards**

USbank

- **Bank's Functions - Cont'd**
  - **Reissue cards every 24 months**
  - **Issue Cardholder Statement of Account**
  - **Issue Official Invoice**
  - **Prepare Monthly and Quarterly Reports**
  - **Provide Customer Service -- 24 hours per day, 365 days a year**

  - **AIR FORCE BILLING CYCLE ENDS 25th OF EACH MONTH**

Points of Contact

- **Col Stephen Smith - 45 Cons Commander, 494-6871**
- **Dolores Faisca – GPC Program Manager, 494-2194**
- **Cindy Rael - Alternate GPC Program Manager, 494-9509**
- **45 CONS/LGCPB**
- **Fax - 494-6388**